



Darcy L. Endo-Omoto
Vice President
Government & Community Affairs

March 31, 2010

FILED
2010 MAR 31 P 3:56
PUBLIC UTILITIES
COMMISSION

The Honorable Chairman and Members of the
Hawaii Public Utilities Commission
465 South King Street, First Floor
Kekuanaoa Building
Honolulu, Hawaii 96813

Dear Commissioners:

Subject: Docket No. 2008-0273 – Feed-in Tariff (“FIT”) Proceeding
Reliability Standards Working Group Plan

On February 26, 2010, Hawaiian Electric Company, Inc. (“Hawaiian Electric”), Hawaii Electric Light Company, Inc. (“HELCO”), and Maui Electric Company, Limited (“MECO”) (collectively the “Hawaiian Electric Companies”), in response to a Commission letter of February 19, 2010, submitted their proposal to convene a Reliability Standards Working Group (“Working Group”) to identify and implement the technical and policy solutions necessary to both facilitate the continued movement toward a clean energy future and ensure system reliability throughout the Hawaiian Electric Companies’ service territories.¹

The February 26, 2010 proposal included a proposed conceptual framework which identified in part the Working Group’s role and objectives, participants and operating structure, governance and proposed technical studies and schedule. The proposal contemplated that the Working Group would be convened under the authority and subject to the oversight of the Commission. The proposal also recommended that procedural matters be administered by an independent facilitator (“Independent Facilitator”) who will ensure efficiency and transparency in the Working Group process. It was understood that contracting for the Independent Facilitator would be accomplished in accordance with Commission direction. It was emphasized that time was a critical factor in this process and therefore, the Working Group should work on an accelerated basis in order to deliver near term solutions and recommendations in a matter of months.

The February 26, 2010 filing proposed a schedule which indicated that on March 31, 2010, the Hawaiian Electric Companies would file a Working Group final plan which would

¹ The Companies’ February 26, 2010 proposal remains before the Commission for consideration. On March 22, 2010, the Commission advised that the parties to Docket No. 2008-0273 would be allowed until April 8, 2010 to submit comments to the Commission regarding any filing made by the Hawaiian Electric Companies on March 31, 2010. Accordingly, the Hawaiian Electric Companies respectfully submit this correspondence.

identify proposed Technical Support Group participants, Working Group participants, and a preliminary scope of work for the technical studies which are discussed in the proposal.

On March 15, 2010, the parties submitted their comments on the Hawaiian Electric Companies' February 26, 2010 filing. The Companies acknowledge the many different recommendations by the parties regarding the Companies' Working Group proposal. These comments concern, but are not limited to, the scope and objectives of the Working Group process, the structure and governance of that process, and the participation in, prioritization of work, and schedule for the process.

Several parties commented that although the proposed Working Group structure appears reasonable from a conceptual standpoint, it may be premature to establish certain details about the Working Group such as technical scopes of work, cost allocation and recovery, makeup and role of the Technical Support Group, and governance, ahead of the actual convening of the Working Group and hiring of the Independent Facilitator. Weighing the parties' various positions and the desire of the Hawaiian Electric Companies to ensure that the Working Group process is open, transparent and appropriately addresses these important issues, the Hawaiian Electric Companies believe it is appropriate for the Commission to initially (1) hire the Independent Facilitator as described in the Hawaiian Electric Companies' February 26, 2010 filing, and (2) convene the base Working Group consisting of the parties to the FIT proceeding, the Public Benefits Fund Administrator, and one PV installer each from Maui and Hawaii Island with direct involvement in developing net energy metering projects. With the assistance of the Independent Facilitator, the Working Group process and the membership, roles, and responsibilities of the Technical Support Group can be further defined. This will ensure that the Commission and the Independent Facilitator have the appropriate opportunity to oversee and administer the Working Group process from the beginning.

Therefore, at this time the Hawaiian Electric Companies will not file any proposed scopes of work for the technical studies to be undertaken, nor propose specific membership and governance of the Technical Support Group. With respect to the membership of the Technical Support Group, the Hawaiian Electric Companies acknowledge the specific comments provided by the Department of Business, Economic Development, and Tourism ("DBEDT") regarding the numerous national laboratories each with different areas of expertise. DBEDT recommends that rather than placing any specific national lab on the Technical Support Group, that all the national labs be considered as available resources. The Hawaiian Electric Companies note that since national laboratory support for an initiative is often tied to specific funding requests and approvals by a particular laboratory, it may be difficult to secure adequate national laboratory resources without formally designating one or more national laboratories to the Technical Support Group. Therefore, it may be necessary for a select few national labs to be identified as Technical Support Group members.



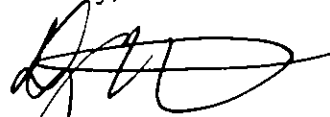
The Honorable Chairman and Members of the
Hawaii Public Utilities Commission
March 31, 2010
Page 3

Thus, the Hawaiian Electric Companies recommend that the Independent Facilitator oversee more detailed discussion about specific Technical Support Group membership, roles, and responsibilities. However, no matter how the Working Group and Technical Support Group are eventually formed and governed, and notwithstanding the role of the Independent Facilitator, the Hawaiian Electric Companies emphasize their need to play a central role in the technical work to be done, since the Hawaiian Electric Companies have the ultimate responsibility and accountability for grid reliability and safety as reinforced by the Commission.

Therefore, in lieu of specific recommendations, the Hawaiian Electric Companies respectfully propose a process to identify candidates for the role of Independent Facilitator for the Commission's consideration. The Hawaiian Electric Companies respectfully suggest that the parties to Docket No. 2008-0273 be directed to submit for the Commission's consideration their recommendations for an Independent Facilitator within two weeks of any Commission order. It is the opinion of the Hawaiian Electric Companies that in selecting an Independent Facilitator for this process, a particular emphasis be placed on candidates who have familiarity with the Hawaii electrical systems and also technological background given the issues that will be a focus of the Working Group's efforts. The Hawaiian Electric Companies generally concur with the recommendations of DBEDT that "in addition to having the industry knowledge on the technical and commercial issues as suggested by the HECO Companies, the Independent Facilitator should also have an intimate knowledge and understanding of Hawaii's energy environment and business culture. Further, the Independent Facilitator must be objective, unbiased and should not be representing business or financial interests that could be impacted by the issues in this docket." (DBEDT Comments on the HECO Companies' Proposal Relating to Reliability Standards Working Group, March 15 2010, page 12)

As stated in the Companies' February 26, 2010 filing, the Hawaiian Electric Companies believe that time is of the essence in starting the Working Group process and accordingly fully support selection of the Independent Facilitator and scheduling of the first Working Group exploratory meeting by the end of April.

Sincerely,



Darcy L. Endo-Omoto
Vice President
Hawaiian Electric Company, Inc.
Hawaii Electric Light Company, Inc.
Maui Electric Company, Limited

c: Service List



SERVICE LIST
(Docket No. 2008-0273)

DEAN NISHINA
EXECUTIVE DIRECTOR
DEPT OF COMMERCE & CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
P.O. Box 541
Honolulu, Hawaii 96809

2 Copies
Via Hand Delivery

MARK J. BENNETT, ESQ.
DEBORAH DAY EMERSON, ESQ.
GREGG J. KINKLEY, ESQ.
DEPARTMENT OF THE ATTORNEY GENERAL
425 Queen Street
Honolulu, Hawaii 96813
Counsel for DBEDT

1 Copy
Electronically Transmitted

CARRIE K.S. OKINAGA, ESQ.
GORDON D. NELSON, ESQ.
DEPARTMENT OF THE CORPORATION COUNSEL
CITY AND COUNTY OF HONOLULU
530 South King Street, Room 110
Honolulu, Hawaii 96813

1 Copy
Electronically Transmitted

LINCOLN S.T. ASHIDA, ESQ.
WILLIAM V. BRILHANTE JR., ESQ.
MICHAEL J. UDOVIC, ESQ.
DEPARTMENT OF THE CORPORATION COUNSEL
COUNTY OF HAWAII
101 Aupuni Street, Suite 325
Hilo, Hawaii 96720

1 Copy
Electronically Transmitted

MR. HENRY Q CURTIS
MS. KAT BRADY
LIFE OF THE LAND
76 North King Street, Suite 203
Honolulu, Hawaii 96817

1 Copy
Electronically Transmitted

MR. CARL FREEDMAN
HAIKU DESIGN & ANALYSIS
4234 Hana Highway
Haiku, Hawaii 96708

1 Copy
Electronically Transmitted

SERVICE LIST
(Docket No. 2008-0273)

MR. WARREN S. BOLLMEIER II
PRESIDENT
HAWAII RENEWABLE ENERGY ALLIANCE
46-040 Konane Place, #3816
Kaneohe, Hawaii 96744

1 Copy
Electronically Transmitted

DOUGLAS A. CODIGA, ESQ.
SCHLACK ITO LOCKWOOD PIPER & ELKIND
TOPA FINANCIAL CENTER
745 Fort Street, Suite 1500
Honolulu, Hawaii 96813
Counsel for BLUE PLANET FOUNDATION

1 Copy
Electronically Transmitted

MR. MARK DUDA
PRESIDENT
HAWAII SOLAR ENERGY ASSOCIATION
P.O. Box 37070
Honolulu, Hawaii 96837

1 Copy
Electronically Transmitted

MR. RILEY SAITO
THE SOLAR ALLIANCE
73-1294 Awakea Street
Kailua-Kona, Hawaii 96740

1 Copy
Electronically Transmitted

JOEL K. MATSUNAGA
HAWAII BIOENERGY, LLC
737 Bishop Street, Suite 1860
Pacific Guardian Center, Mauka Tower
Honolulu, Hawaii 96813

1 Copy
Electronically Transmitted

KENT D. MORIHARA, ESQ.
KRIS N. NAKAGAWA, ESQ.
SANDRA L. WILHIDE, ESQ.
MORIHARA LAU & FONG LLP
841 Bishop Street, Suite 400
Honolulu, Hawaii 96813
Counsel for HAWAII BIOENERGY, LLC
Counsel for MAUI LAND & PINEAPPLE COMPANY, INC.

1 Copy
Electronically Transmitted

SERVICE LIST
(Docket No. 2008-0273)

MR. THEODORE E. ROBERTS SEMPRA GENERATION 101 Ash Street, HQ 12 San Diego, California 92101	1 Copy Electronically Transmitted
MR. CLIFFORD SMITH MAUI LAND & PINEAPPLE COMPANY, INC. P.O. Box 187 Kahului, Hawaii 96733	1 Copy Electronically Transmitted
MR. ERIK KVAM CHIEF EXECUTIVE OFFICER ZERO EMISSIONS LEASING LLC 2800 Woodlawn Drive, Suite 131 Honolulu, Hawaii 96822	1 Copy Electronically Transmitted
PAMELA JOE SOPOGY INC. 2660 Waiwai Loop Honolulu, Hawaii 96819	1 Copy Electronically Transmitted
GERALD A. SUMIDA, ESQ. TIM LUI-KWAN, ESQ. NATHAN C. SMITH, ESQ. CARLSMITH BALL LLP ASB Tower, Suite 2200 1001 Bishop Street Honolulu, Hawaii 96813 Counsel for HAWAII HOLDINGS, LLC, dba FIRST WIND HAWAII	1 Copy Electronically Transmitted
MR. CHRIS MENTZEL CHIEF EXECUTIVE OFFICER CLEAN ENERGY MAUI LLC 619 Kupulau Drive Kihei, Hawaii 96753	1 Copy Electronically Transmitted
MR. HARLAN Y. KIMURA, ESQ. CENTRAL PACIFIC PLAZA 220 South King Street, Suite 1660 Honolulu, Hawaii 96813 Counsel for TAWHIRI POWER LLC	1 Copy Electronically Transmitted

SERVICE LIST
(Docket No. 2008-0273)

SANDRA-ANN Y.H. WONG, ESQ. ATTORNEY AT LAW, A LAW CORPORATION 1050 Bishop Street, #514 Honolulu, HI 96813 Counsel for ALEXANDER & BALDWIN, INC., Through its division, HAWAIIAN COMMERCIAL & SUGAR COMPANY	1 Copy Electronically Transmitted
CAROLINE BELSOM VICE PRESIDENT/GENERAL COUNSEL Kapalua Land Company, Ltd., A wholly owned subsidiary of MAUI LAND & PINEAPPLE COMPANY, INC. c/o 200 Village Road Lahaina, Hawaii 96761	1 Copy Electronically Transmitted
ISAAC H. MORIWAKE DAVID L. HENKIN EARTHJUSTICE 223 South King Street, Suite 400 Honolulu, Hawaii 96813-4501	1 Copy Electronically Transmitted